

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of the  
**Council on Alcohol and Drug Abuse  
for Greater New Orleans**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of the  
**Council on Alcohol and Drug Abuse**  
**for Greater New Orleans**

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**Auditors' Responsibility, Continued**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **CADA** as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of the  
**Council on Alcohol and Drug Abuse**  
**for Greater New Orleans**

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***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of the  
**Council on Alcohol and Drug Abuse**  
**for Greater New Orleans**

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014, on our consideration of CADA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CADA's internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 1, 2014

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash and cash equivalents (NOTE 1)	\$428,861	\$432,813
Grants receivable	61,537	12,612
Unconditional promises to give (NOTE 9)	36,259	43,303
Prepaid expenses	9,253	6,402
Furniture and equipment, net of accumulated depreciation (NOTES 1 and 5)	5,993	4,187
Lease deposit	<u>1,728</u>	<u>1,728</u>
Total assets	<u>\$543,631</u>	<u>\$501,045</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 29,664	\$ 17,137
Deferred revenue (NOTE 1)	<u>15,000</u>	<u>-0-</u>
Total liabilities	<u>44,664</u>	<u>17,137</u>
<u>Net Assets</u>		
Unrestricted (NOTE 1)	363,207	443,828
Temporarily restricted (NOTES 1 and 8)	<u>135,750</u>	<u>40,080</u>
Total net assets	<u>498,967</u>	<u>483,908</u>
Total liabilities and net assets	<u>\$543,631</u>	<u>\$501,045</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
United Way for <u>Greater</u>			
New Orleans Area:			
Allocations	\$ -0-	\$ 32,488	\$ 32,488
Designations	-0-	3,771	3,771
United Way-St. Charles	-0-	99,491	99,491
Contributions	67,372	-0-	67,372
Federal grants	522,955	-0-	522,955
Other grants	48,995	-0-	48,995
Program service fees	62,237	-0-	62,237
Other	9,826	-0-	9,826
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>40,080</u>	<u>(40,080)</u>	<u>-0-</u>
Total support and revenue	<u>751,455</u>	<u>95,670</u>	<u>847,135</u>
Expenses:			
Program services	661,672	-0-	661,672
Supporting services:			
Management and general	132,342	-0-	132,342
Fundraising	<u>38,062</u>	<u>-0-</u>	<u>38,062</u>
Total expenses	<u>832,076</u>	<u>-0-</u>	<u>832,076</u>
Changes in net assets	(80,621)	95,670	15,059
Net assets, beginning of year	<u>443,828</u>	<u>40,080</u>	<u>483,908</u>
Net assets, end of year	<u>\$363,207</u>	<u>\$135,750</u>	<u>\$498,967</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
United Way for Greater New Orleans Area:			
Allocations	\$ -0-	\$ 38,434	\$ 38,434
Designations	-0-	2,905	2,905
Contributions	106,289	-0-	106,289
Federal grants	236,407	-0-	236,407
Other grants	51,114	-0-	51,114
Program service fees	55,224	-0-	55,224
Other	8,499	-0-	8,499
Net assets released from restrictions:			
Expiration of time restrictions (NOTE 7)	<u>144,989</u>	<u>(144,989)</u>	<u>-0-</u>
Total support and revenue	<u>602,522</u>	<u>(103,650)</u>	<u>498,872</u>
Expenses:			
Program services	468,046	-0-	468,046
Supporting services:			
Management and general	112,895	-0-	112,895
Fundraising	<u>38,527</u>	<u>-0-</u>	<u>38,527</u>
Total expenses	<u>619,468</u>	<u>-0-</u>	<u>619,468</u>
Changes in net assets	(16,946)	(103,650)	(120,596)
Net assets, beginning of year	<u>460,774</u>	<u>143,730</u>	<u>604,504</u>
Net assets, end of year	<u>\$443,828</u>	<u>\$ 40,080</u>	<u>\$ 483,908</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE FOR GREATER NEW ORLEANS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$348,304	\$ 75,500	\$20,886	\$444,690
Employee health and retirement	57,609	14,537	3,210	75,356
Payroll taxes	<u>36,429</u>	<u>7,056</u>	<u>1,924</u>	<u>45,409</u>
Total salaries and related expenses	442,342	97,093	26,020	565,455
Professional fees	138,089	18,672	8,326	165,087
Supplies	9,194	1,883	2,529	13,606
Telephone	4,663	955	-0-	5,618
Postage and shipping	551	113	-0-	664
Occupancy, insurance and fees	29,575	6,058	-0-	35,633
Equipment repairs and maintenance	2,627	538	-0-	3,165
Printing and publications	2,575	527	1,187	4,289
Travel	6,369	1,305	-0-	7,674
Conference and training attended	17,161	-0-	-0-	17,161
Conference and training held	-0-	1,321	-0-	1,321
Dues	1,600	-0-	-0-	1,600
Equipment	4,841	-0-	-0-	4,841
Miscellaneous	<u>-0-</u>	<u>3,777</u>	<u>-0-</u>	<u>3,777</u>
Total expenses before depreciation	<u>659,587</u>	<u>132,242</u>	<u>38,062</u>	<u>829,891</u>
Depreciation	<u>2,085</u>	<u>100</u>	<u>-0-</u>	<u>2,185</u>
Total expenses	<u>\$661,672</u>	<u>\$132,342</u>	<u>\$38,062</u>	<u>\$832,076</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE FOR GREATER NEW ORLEANS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$240,799	\$ 69,949	\$18,715	\$329,463
Employee health and retirement	40,974	12,293	2,412	55,679
Payroll taxes	<u>23,276</u>	<u>5,995</u>	<u>1,634</u>	<u>30,905</u>
Total salaries and related expenses	305,049	88,237	22,761	416,047
Professional fees	89,802	11,373	11,073	112,248
Supplies	7,879	1,500	4,072	13,451
Telephone	5,193	916	-0-	6,109
Postage and shipping	600	114	-0-	714
Occupancy, insurance and fees	34,434	6,559	-0-	40,993
Equipment repairs and maintenance	2,922	499	-0-	3,421
Printing and publications	2,592	493	621	3,706
Travel	5,563	696	-0-	6,259
Conference and training attended	5,711	-0-	-0-	5,711
Conference and training held	-0-	1,192	-0-	1,192
Dues	1,000	335	-0-	1,335
Miscellaneous	<u>5,573</u>	<u>871</u>	<u>-0-</u>	<u>6,444</u>
Total expenses before depreciation	<u>466,318</u>	<u>112,785</u>	<u>38,527</u>	<u>617,630</u>
Depreciation	<u>1,728</u>	<u>110</u>	<u>-0-</u>	<u>1,838</u>
Total expenses	<u>\$468,046</u>	<u>\$112,895</u>	<u>\$38,527</u>	<u>\$619,468</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 15,059	\$ (120,596)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	2,185	1,838
(Increase) decrease in operating assets:		
Grants receivable	(48,925)	31,876
Unconditional promises to give	7,044	101,686
Prepaid expenses	(2,851)	(2,017)
Lease deposit	-0-	2,052
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	12,527	(4,718)
Deferred revenue	<u>15,000</u>	<u>(42,721)</u>
Net cash (used in) provided by operating activities	<u>39</u>	<u>(32,600)</u>
Cash Flows from Investing Activities:		
Purchases of equipment	<u>(3,991)</u>	<u>(4,129)</u>
Net cash used in investing activities	<u>(3,991)</u>	<u>(4,129)</u>
Net decrease in cash and cash equivalents	(3,952)	(36,729)
Cash and cash equivalents, beginning of year	<u>432,813</u>	<u>469,542</u>
Cash and cash equivalents, end of year	<u><u>\$428,861</u></u>	<u><u>\$432,813</u></u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - Summary of Significant Accounting Policies:

General

The **Committee on Alcoholism and Drug Abuse for Greater New Orleans** was created by Articles of Incorporation dated July 27, 1960, and amended April 30, 1970 and November 1, 1991, to operate exclusively for charitable, educational, and scientific purposes, including the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. On May 22, 1997, the **Committee on Alcoholism and Drug Abuse for Greater New Orleans** established its operating name as the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)**.

The mission of **CADA** is to prevent the abuse of alcohol, drugs, and other addictive substances to promote healthy and safe individuals, families, and communities throughout Greater New Orleans. Working with schools, community-based organizations, courts, employers, and others, **CADA** provides a wide range of substance abuse prevention, assessment, early intervention, and information and referral services for both youth and adults.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of **CADA** and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Basis of Presentation, Continued

Temporarily Restricted Net Assets

Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of **CADA** and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Furniture and Equipment

Furniture and equipment are stated at cost. Additions, renewals, and betterments that add materially to productive capacity or extend the life of an asset are capitalized. Expenditures for maintenance and repairs which do not extend the life of the applicable assets are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting gain or loss is included in the statement of activities.

Depreciation of furniture and equipment is provided over the estimated useful lives of the assets (five to ten years) on a straight-line basis.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Income Taxes

No provision is made for income taxes, as **CADA** is exempt from income tax as a not-for-profit organization operated under Section 501(c)(3) of the Internal Revenue Code of 1986.

**CADA** files as a tax-exempt organization. Should that status be challenged in the future, **CADA's** 2011, 2012 and 2013 tax years are open for examination by the IRS.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Statement of Cash Flows

For the purpose of the statement of cash flows, **CADA** considers time deposits and all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions and Grants

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Grants from private and governmental agencies are recorded when **CADA** is entitled to the funds.

Deferred Revenues

**CADA** reports as deferred revenue grants received earlier than the time for revenue recognition.

NOTE 2 - Pension Plan:

**CADA** has a defined contribution plan which covers substantially all full time employees. Annual contributions are discretionary with the Board of Directors, but may not exceed the maximum amount deductible for federal tax purposes. Contributions for the years ended June 30, 2014 and 2013 were \$16,345 and \$10,526.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 3 - Facility Lease:

On October 1, 2012, **CADA** leased office space under a noncancelable operating lease expiring on September 30, 2014. On September 29, 2014, this lease was renewed through December 21, 2015. For the years ended June 30, 2014 and 2013, facility lease expense amounted to \$28,095 and \$30,132, respectively. Minimum future rental payments under this noncancelable lease for each of the next two (2) fiscal years and in the aggregate are:

<u>June 30,</u>	<u>Amount</u>
2015	\$28,764
2016	<u>14,382</u>
	<u>\$43,146</u>

NOTE 4 - Fair Value of Financial Instruments:

The fair value of financial instruments has been determined utilizing available market information and appropriate valuation methodologies. The carrying amount approximates fair value of cash and cash equivalents, and unconditional promises to give.

NOTE 5 - Furniture and Equipment:

Furniture and equipment are stated at cost as follows:

	<u>2014</u>	<u>2013</u>
Furniture and equipment	\$ 28,271	\$ 24,280
Less: Accumulated depreciation	<u>(22,278)</u>	<u>(20,093)</u>
Net furniture and equipment	<u>\$ 5,993</u>	<u>\$ 4,187</u>

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 6 - Contingencies:

Grants and contracts with funding sources often require fulfillment of certain conditions as set forth in the terms of the instrument. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, the Board of Directors deems the contingency unlikely since CADA has agreed to comply with grantors' provisions.

NOTE 7 - Net Assets Released from Restrictions:

At June 30, 2014 and 2013, net assets in the amounts of \$40,080 and \$144,989 were released from donor restrictions by satisfying time restrictions specified by donors as follows:

	<u>2014</u>	<u>2013</u>
United Way for Greater New Orleans:		
Allocations	\$ 38,434	\$47,832
Designations	1,646	6,711
United Way-St. Charles	<u>-0-</u>	<u>90,446</u>
	<u>\$40,080</u>	<u>\$144,989</u>

NOTE 8 - Temporarily Restricted Net Assets:

Temporarily restricted net assets at year-end are available for operations during the subsequent year as follows:

<u>Funding Source</u>	<u>2014</u>	<u>2013</u>
United Way	<u>\$135,750</u>	<u>\$40,080</u>

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 9 - Unconditional Promises to Give:

Unconditional promises to give at June 30, 2014 and 2013 represent current receivables from local United Way agencies.

NOTE 10 - Concentration of Credit Risk:

At June 30, 2014 and 2013, **CADA's** cash on deposit with a financial institution was fully insured by the Federal Deposit Insurance Corporation (FDIC). Also, **CADA** maintains cash and cash equivalents with investment brokers which are fully protected by the Securities Investor Protection Corporation.

NOTE 11 - Subsequent Events:

**CADA** is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **CADA** performed such an evaluation through December 1, 2014, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

## **SUPPLEMENTARY INFORMATION**

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

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<b>Federal Grantor/Program Name</b>	<b>Federal CFDA Number</b>	<b>Activity</b>
<b><u>U.S. Department of Health and Human Services</u></b>		
<i><u>Direct Award</u></i>		
Substance Abuse and Mental Health Services	93.243	\$ 341,650
<i><u>Award from a Pass-Through Entity</u></i>		
<u>Passed-Through: LA Office for Addictive Disorders,</u>		
<u>Department of Health and Hospitals</u>		
Metropolitan Human Service District	93.959	<u>181,305</u>
<b>Total U.S. Department of Health and Human Services</b>		<u>522,955</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 522,955</u></u>

**NOTE:** The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **CADA** under programs of the federal government for the year ended June 30, 2014 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

See Independent Auditors' Report on Supplementary Information.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the  
**Council on Alcohol and Drug Abuse**  
**for Greater New Orleans**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **CADA's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **CADA's** internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

**Internal Control Over Financial Reporting, Continued**

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CADA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CADA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 1, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of the  
**Council on Alcohol and Drug Abuse**  
**for Greater New Orleans**

**Report on Compliance for Each Major Federal Program**

We have audited the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **CADA's** major federal programs for the year ended June 30, 2014. **CADA's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

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(CONTINUED)

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of **CADA's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **CADA's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **CADA's** compliance.

### **Opinion on Each Major Federal Program**

In our opinion, **CADA** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133  

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(CONTINUED)

**Report on Internal Control Over Compliance**

Management of **CADA** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **CADA's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **CADA's** internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

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(CONTINUED)

**Report on Internal Control Over Compliance, Continued**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 1, 2014

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**I. SUMMARY OF AUDITORS RESULTS**

- A. The type of report issued on the financial statements: **unmodified.**
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **none reported** material weaknesses: **no.**
- C. Noncompliance which is material to the financial statements: **no.**
- D. Significant deficiencies in internal control over major programs: **none reported** material weaknesses: **no.**
- E. The type of report issued on compliance for major programs: **unmodified.**
- F. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **No.**
- G. Identification of Major Program:

**United States Department of Health and Human Services**

93.243 - Substance Abuse and Mental Health Services

- H. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000.**
- I. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **no.**
- J. A management letter was issued: **no.**

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF FINDINGS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2014**

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**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

No matters reported.

**III. FINDINGS AND QUESTIONED COSTS RELATED  
TO FEDERAL AWARDS**

Not applicable.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**Section I. FINDINGS RELATING TO THE FINANCIAL  
STATEMENTS REPORTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

No prior year audit findings reported.

**Section II. FINDINGS AND QUESTIONED COSTS RELATED  
TO FEDERAL AWARDS**

Not applicable.

**Section III. MANAGEMENT LETTER**

No comments reported.